



Ethical Investment
Funds Management

Annual Report 2024



Acknowledgement of Country

Ethical Investment Funds Management acknowledges the Traditional Custodians of the lands on which we work and live, the Aboriginal and Torres Strait Islander people of Australia, and pay our respect to the Elders past, present and emerging.

We recognise and respect their cultural heritage, beliefs and relationship with the land and waters, and recognise their role in caring for and maintaining the land over thousands of years.

We see reconciliation as a fundamental responsibility and Ethical Investment Funds Management are committed to advancing reconciliation with Australia's First Peoples and engaging with their concerns.



About Us

Ethical Investment Funds Management is driving positive change through responsible investing in listed equities helping our portfolio companies grow and enhance their positive impact. Our transparent reporting and collaborative stewardship highlight our vision to create meaningful societal and environmental outcomes.

The Ethical Investment Australian Equities Portfolio that we manage, is certified by the Responsible Investment Association Australasia (RIAA), and invests in companies that are committed to solving environmental and social issues.



Reflecting on 2024

As we close out 2024, we reflect on the ethical investment landscape which has matured significantly, shaped by both domestic regulatory evolution and global ESG momentum.

One of the most defining shifts in 2024 has been the formalisation of ESG reporting standards. The Australian government's move to align with the International Sustainability Standards Board (ISSB) frameworks and implement new sustainability reporting standards which has brought much-needed consistency and comparability to sustainability disclosures. This has empowered investors with clearer insights into companies' environmental and social impacts, enabling more confident allocation of capital to genuinely responsible enterprises.

In terms of investment themes, climate resilience remained a dominant focus. The increasing frequency of extreme weather events in 2024 has underscored the urgency of climate adaptation. Social impact also gained prominence in 2024. The Voice to Parliament referendum in 2023, though unsuccessful, sparked deeper conversations around Indigenous inclusion and equity. Governance, too, has evolved.

The crackdown on greenwashing by ASIC and the ACCC has led to more rigorous scrutiny of ESG claims. While this has posed challenges, it has ultimately strengthened the credibility of ethical investing in Australia. As fund managers, we've welcomed this shift. It has reinforced the importance of robust due diligence and transparent communication with stakeholders.

Looking ahead, the momentum behind ethical investing feels irreversible. Investors are demanding more than just financial returns. They want their money to drive positive change. As stewards of capital, we have a responsibility to meet this demand with integrity, insight, and innovation.

In 2024, ethical investing has proven not just viable, but vital. It has shown that aligning investment with values is not a trade-off, but a pathway to long-term resilience and shared prosperity. The journey continues, and we are proud to be part of it.

We will also be working on developing some key targets within our portfolio in the coming 12 months with the aim of providing feedback on our portfolio in the FY 25 report released in 2026.



\$71,748,998 FUM

Impact Snapshot

Partnerships for the Goals 450 hectares rainforest trees saved	Climate Action 2.11 °C Cooler planet than benchmark	Clean Energy 160 Wind turbines built
Gender Equality 25% More equal employee salaries	Life below water 415,000 Tuna fish protected	Climate Action 7,690 Cars removed from the road
Clean Energy 100 Wind turbines built	Responsible Consumption & Production 1,330,000 tonnes of waste avoided	Partnership for the Goals 97% Less Environmental Controversy



Source: EthosESG, The Ethical Investment Australian Equities Portfolio Calculation is based on the total Funds Under Management of \$71,748,998 as at 31 December 2024. The examples are provided to illustrate the contribution and may not be representative of the actual activities of the companies.

Ethical Investment Funds Management approach to investing

Choosing the Right Path

When it comes to ethical or responsible investing, there's a range of avenues to explore. At Ethical Investment Funds Management, we believe in harnessing the power of these various approaches to construct diversified and ethical portfolios that align with our investors' values.

Encouraging Positive Change

We go beyond assessments by actively encouraging companies to improve their environmental and social impact, aligning their actions with the long-term interests of our investors.

At least 50% of the Ethical Investment Australian Equities Portfolio (excluding cash) is invested in companies making positive contributions to society or the environment. These companies are aligned with the UN Sustainable Development Goals (SDGs) and focus on areas such as recycling, water and social infrastructure, renewable energy, battery tech, health, well-being, and education.

To qualify as 'positive', a company must:

- Derive ≥75% of its revenue from targeted themes, or
- Be externally rated for exceptional positive impact, or
- Generate ≥75% of revenue aligned with one or more SDGs.

At Ethical Investment Funds Management, we specifically target investments in companies whose products and services we believe have a net positive environmental or social impact and provide solutions to essential sustainability challenges.

We also focus on excluding investments which cause harm to the environment or society to ensure a healthy planet and society which translates to a healthy economy for all to thrive.

Positive Investments – Who We Choose



Negative Investments – Who We Seek to Avoid



Our [Ethical Charter](#) outlines in detail what we consider to be a positive and negative investment.

UN Sustainable Development Goals and Sustainable Investing

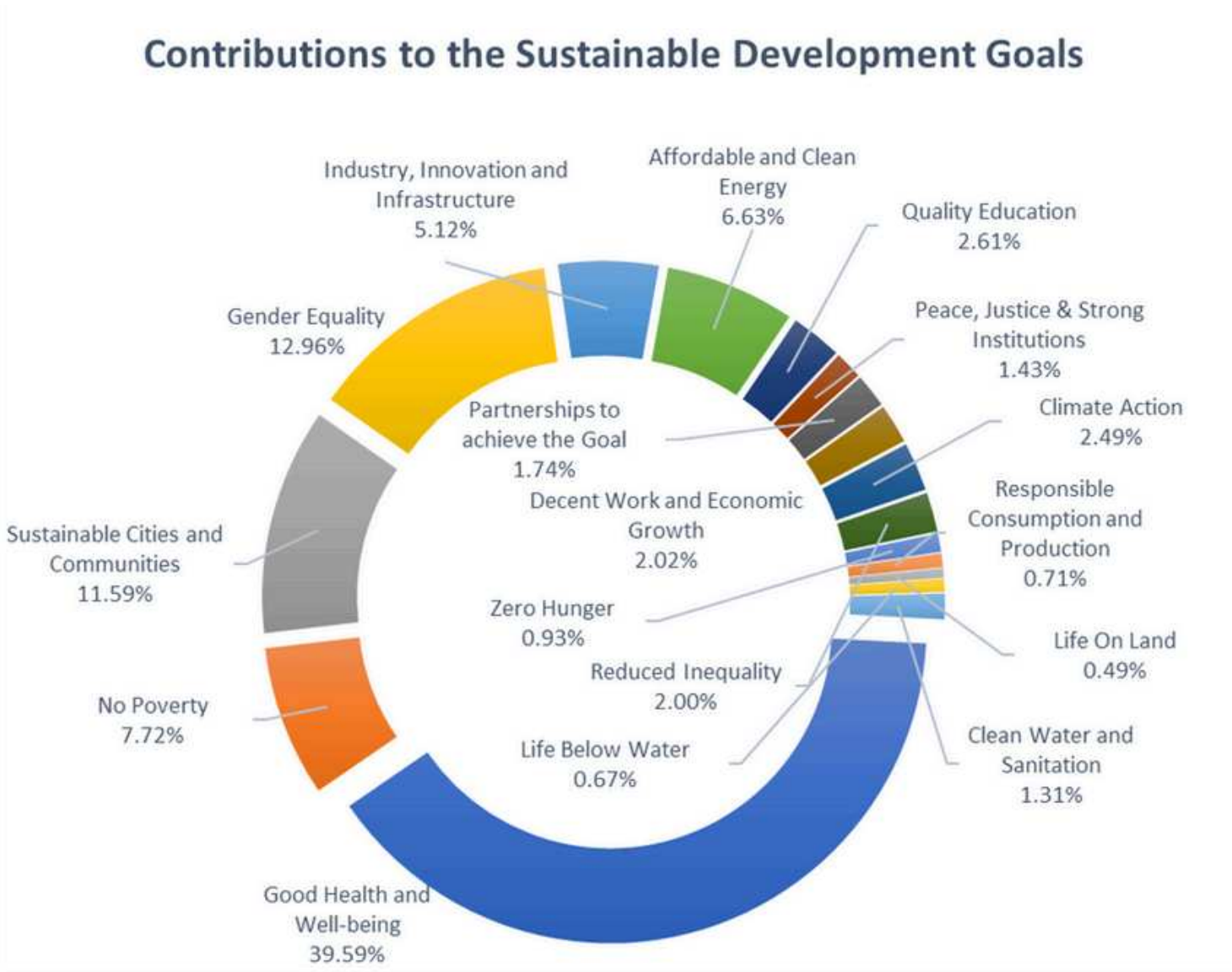
Adopted by all UN Member States in 2015, the 2030 Agenda for Sustainable Development outlines a global blueprint for peace, prosperity, and planetary health. Central to this vision are the 17 Sustainable Development Goals (SDGs), backed by 169 targets and 232 indicators calling for collective action across all nations.

The SDGs recognise that ending poverty must be paired with improving health, education, reducing inequality, driving economic growth, and protecting the environment. We view the SDGs as a critical framework for sustainable investing, with the financial system, including investors and asset managers playing a pivotal role in meeting these targets by 2030.

Meeting SDG targets requires:

- Reallocation of existing capital, not just new funding
- Active stewardship of invested entities
- Strong alignment between financial performance and positive impact

Importantly, the SDGs increasingly reflect material ESG factors that investors consider part of their fiduciary duty. Companies aligned with the SDGs have demonstrated competitive advantages and sustained returns, underscoring the business case for impact-aligned investment strategies.



The Ethical Investment Australian Equities portfolio largely contributes to:

- SDG3** - Health and Well-being
 - Enabling medical research
 - Providing diagnostics
 - Providing preventative care
 - Improving access to healthcare
 - Supporting hearing
- SDG7** - Affordable and Clean Energy
 - Access reliable, renewable energy
 - Energy efficient products
- SDG8** - Decent Work and Economic Growth
- SDG11** - Sustainable Cities and Communities
 - access to social infrastructure properties
 - enabling education
 - Increasing circularity in material use

Focus Areas	SDG Alignment	Average % of Portfolio	Fund holding
Climate Change Mitigation and Adaptation	7,13,17,11	13%	Hazer Group Mercury NZ Meridian Energy Pilbara Minerals Calix
Resource Efficiency	9,12	13%	Igo Ltd IperionX BCI Minerals Cleanaway Waste Calix
Social well-being Healthcare	3,4,5,17	29%	Janison Education Charter Hall Social Infrastructure Cochlear CSL HealthCo Wellness Integral Diagnostics Medical Developments Recce Pharmaceuticals Sonic Healthcare Immutep

SDG 12 - Responsible Consumption and Production

Charting a Sustainable Path Forward

Addressing one of society's challenges entails reducing our consumption and resource use to levels consistent with our planet's ecological limits, thereby safeguarding a sustainable future for generations to come. This challenge aligns with the United Nations Sustainable Development Goal (SDG) 12, Responsible Consumption and Production.

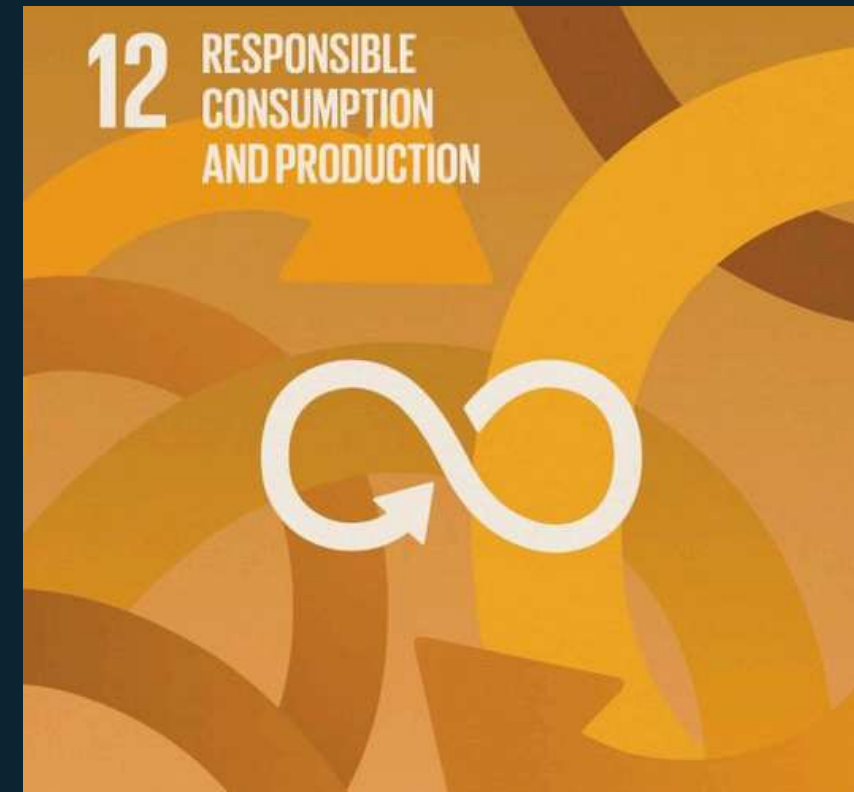
Steering Towards Impact

As fund managers we are cognizant of the importance of SDG 12, and while it may not be the primary focus of our fund, we are committed to making a positive impact through the inherent interconnectedness of the other SDGs.

Harmonious Goals in Action

For example, our emphasis on SDG 3 (Good Health and Well-being), plays a pivotal role in alleviating strain on the healthcare system and its associated resources.

By promoting healthier lifestyles and well-being, we reduce the likelihood of individuals requiring extensive medical interventions, thus indirectly contributing to SDG 12.

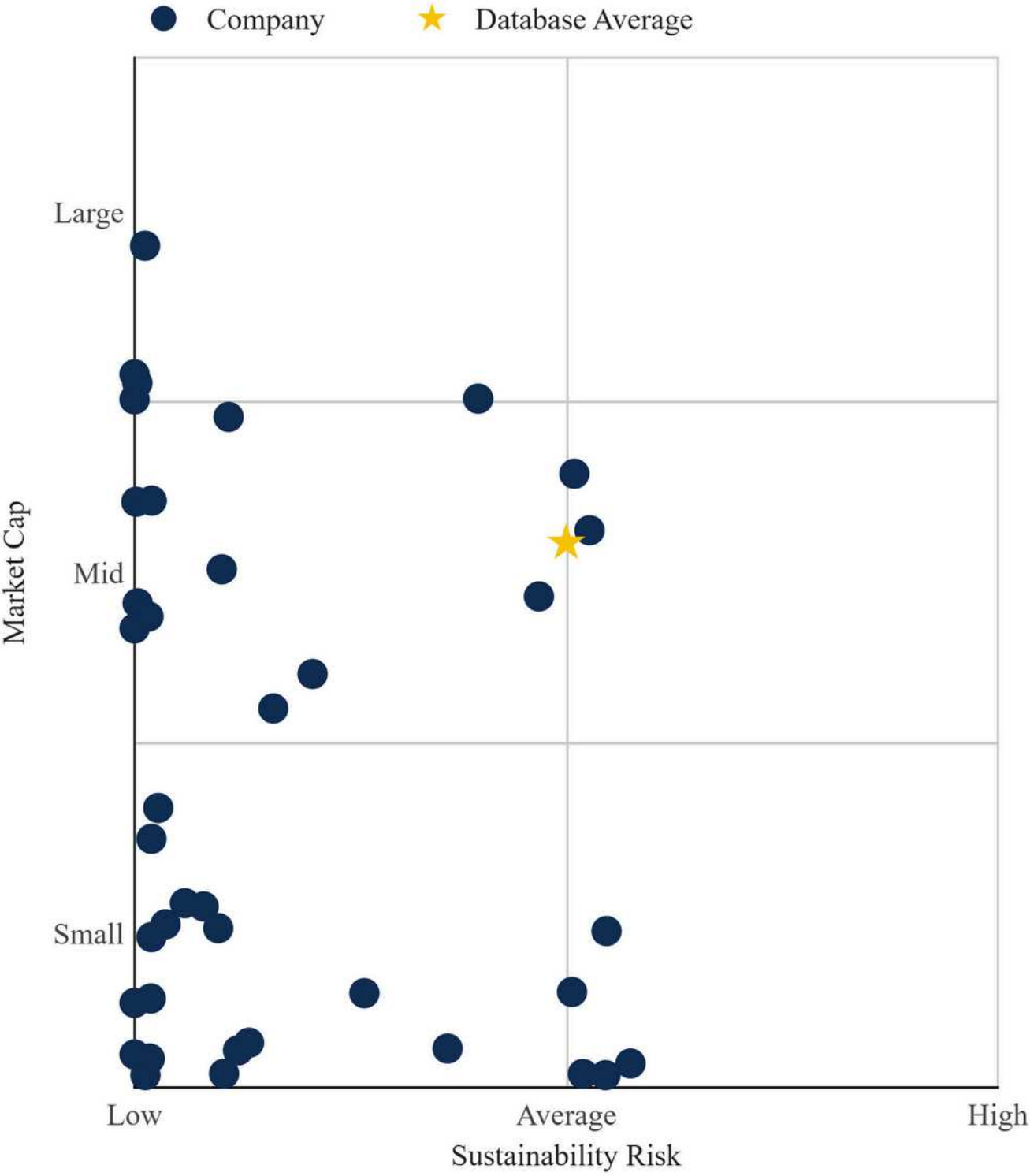


Sustainability Risk

Sustainability Risk is a measure of the extent to which companies' activities compromise sustainable development, this embodies the social equity level, environmental impact of each company, and the sales exposure to basic needs and controversial industry categories.

In 2024, we mapped the holdings within the Ethical Investment Australian Equities Portfolio utilising Sustainable Platform's analysis tools, to better understand these risks. The results showed that a vast majority of holding companies within the **Ethical Investment Australian Equities Portfolio** exhibit a Carbon and Sustainability Risk significantly lower than the industry average which is illustrated by the yellow star on the graph.

This performance is relative to the Database Average of over 22,000 global companies listed on Sustainable Platform.

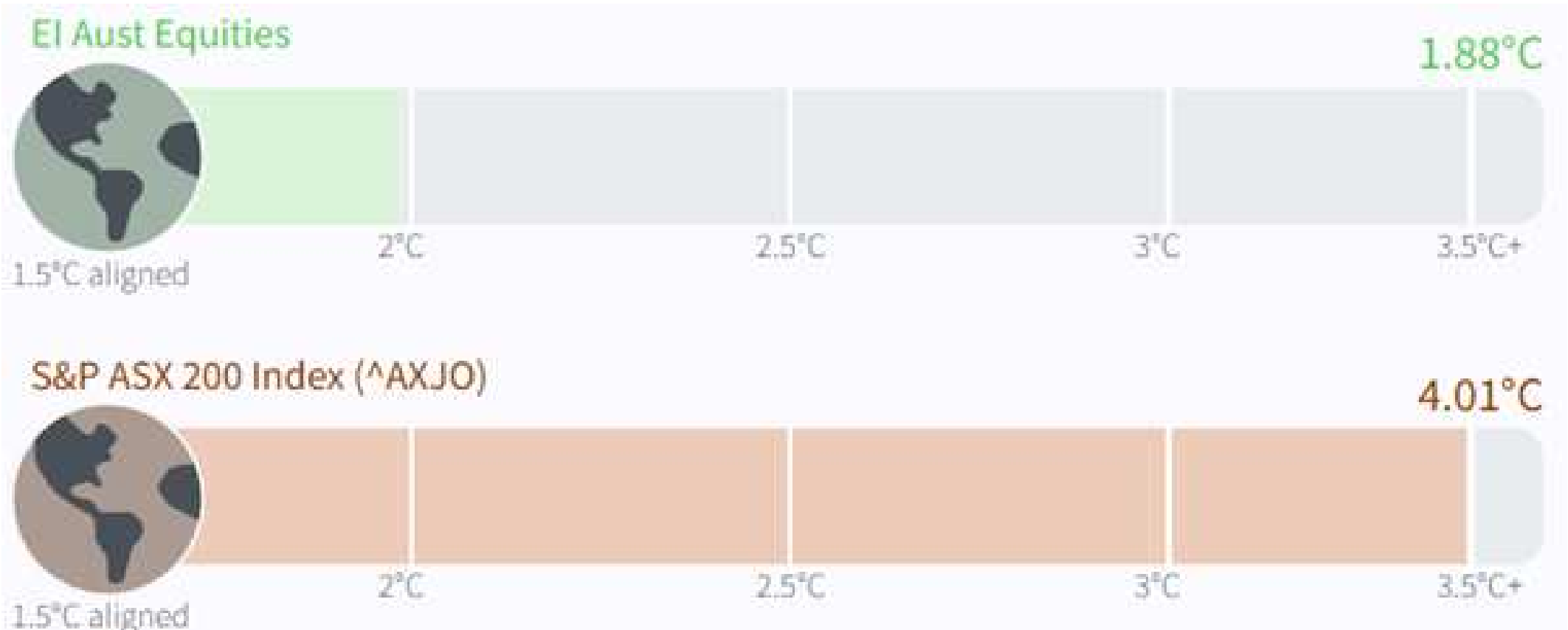


Source: Sustainable Platform, The Ethical Investment Australian Equities Portfolio as at 31 December 2024

Global Warming Potential

The graphic below outlines the potential contribution to global warming of the portfolio (in degrees Celsius). This is calculated using current emissions data and targets from the Science-Based Targets Initiative (SBTI).

Through the 2015 Paris Agreement, world governments committed to curbing global temperature rise to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.



The global warming potential is based on emissions reductions commitments made through the SBTi and current carbon emissions across the value chain (scope 1, 2 and 3) for portfolio holdings. The SBTi provides a standard, independent methodology to assess and approve company targets in line with strict criteria. In some cases commitments to net-zero emissions made outside of the SBTi are also considered, when a company is able to credibly demonstrate its commitment.

Source: EthosESG

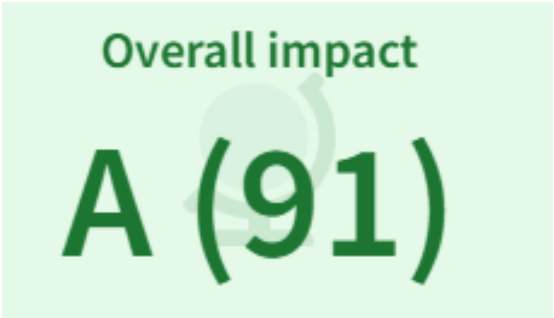
Our Impact in 2024

Real-world Metrics

Comparison to the S&P/ASX 200 Index benchmark, in terms of illustrative "real-world" metaphors. This intends to show the net positive environmental and social impact achieved across the Ethical Investment Australian Equities portfolio compared with the benchmark

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Overall impact as rated by
ETHOS



Source: EthosESG, The Ethical Investment Australian Equities Portfolio Calculation is based on the total Funds Under Management of \$71,748,998 as at 31 December 2024. The examples are provided to illustrate the contribution and may not be representative of the actual activities of the companies.

Key Portfolio highlights

The below highlights compare the Ethical Investment Australian Equities Portfolio with the S&P/ASX 200 Index:



69% Less Carbon Risk

The SP Carbon Risk is a single metric used as a proxy for combined Scope 1, 2 & 3 reporting. It is calculated from fossil fuel exposure of companies within a portfolio as a proportion of company revenue. The Carbon Risk of a company is equal to its total fossil fuel exposure (Coal + Oil + Gas + Other/Unidentified), and the Carbon Risk of a portfolio is equal to the weighted average of the Carbon Risks of the companies in the portfolio.



64% Higher net SDG Contributions

Net SDG measures a company's net contribution to the UN Sustainable Development Goals.



0% Greenwashing Risk

SP Greenwashing Risk metric assesses a company's potential negative environmental impact and verifies its environmental claims. It considers the company's exposure to controversial industries related to the environment and tracks any environmental fines.



44% Less Reputational Risk

The Reputation Risk of a company is the degree of uncertainty of the company's reputation with respect to other companies. It is a measure of a company's risk of being involved in a controversy, determined through its exposure to controversial industries, fines (violations) and other social metrics.

Source: Sustainable Platform, The Ethical Investment Australian Equities Portfolio as at 31 December 2024.

Stewardship

Fostering strong relationships is core to our stewardship responsibilities. We aim to increase the positive impact of our investee companies by engaging with our Fund managers and portfolio companies.

We have a diverse and enthusiastic team of experts who provide guidance and expertise to all parts of our business on responsible investing, climate, voting, stewardship and ESG analysis. We also continue to enhance our skills and capabilities for our investment teams, bringing on additional resources, data, and tools.

Ethical Investment Funds Management engages collaboratively with many different organisations including advocacy groups such as Market Forces and ACCR to help make resolutions at company Annual General Meetings (AGMs) and to hold companies accountable for their actions and to drive positive Corporate Governance.



Key Engagement in 2024

Throughout 2024 we continued to use engagement as a tool with investee companies and Fund managers to:

- Address environmental, governance and responsible investment controversies;
- Assess the authenticity of a Funds approach to their fiduciary duties;
- Help increase and improve the responsible investment space by sharing knowledge, ideas and industry best practices.

While it is the companies that we invest in that create positive impact through the products and services that they sell, as investors we contribute to this impact by directly influencing company management through: collaborative or collective engagements and voting at company meetings.

In FY24, we found a diverse range of issues contentious in environmental, governance and social issues.

- Governance engagement related to Fund managers fiduciary duties, Board mis-conduct, board composition including gender diversity, remuneration structures, company greenwashing, data privacy management, reporting standards and changing regulation.
- Environmental engagement centred around transparent climate reporting, decarbonisation strategies, science-based green-house gas emissions reduction targets, Scope 3 emissions, pollution, the Inflation Reduction Act, safeguard mechanism, renewable energy, ecosystem degradation, seafood sustainability, water management, carbon capture and storage, material use.
- Social engagement included ethics concerns, gambling and responsible investment

Engagement Case Study: Governance Oversight in ETF Holdings

Betashares Ethical ETF (FAIR) - WiseTech Group

Following allegations of CEO misconduct at WiseTech, we contacted Betashares to understand how the issue was being addressed and the potential governance implications for FAIR, which held WiseTech within its index.

Betashares confirmed active engagement with WiseTech and ongoing dialogue regarding the issue. After further review by the Responsible Investment Committee (RIC), and following direct discussions with the company, the RIC elected to divest WiseTech from the index.



Industry & Community Participation

EIFM continues to demonstrate strong commitment to both industry advocacy and community engagement. Key highlights from the reporting period include:

Community Engagement

- **Volunteer Initiative:** EIFM staff volunteered at the FareShare Charity Kitchen in Brisbane, helping prepare 1,568 meals for Australians facing hardship.
- **Community Grant Advocacy:** We supported a grant application through the Milford Community Connection Program, recommending Kanyirninpa Jukurrpa for funding. Previously, our recommendation of the Indigenous Literacy Foundation resulted in a \$10,000 grant.
- **National Reconciliation Week:** Promoted events to staff and external stakeholders through social media. EIFM team members participated in "Memoirs with Carol Innes," an online event reflecting on reconciliation and cultural understanding.

Industry Engagement & Public Advocacy

- **Policy & Media Contributions:** Provided a joint financial review with Kelly Roebuck (Sea Choice, Living Oceans) to AFR, highlighting concerns around retailer reliance on certifications and the resulting risks to human rights and environmental integrity.
- **Thought Leadership:** Adviser Karen McLeod contributed to the national dialogue on ethical investment through multiple platforms:
 - Presented at **FAAA Congress 2024** in Brisbane: Responsible Investing under the Microscope.
 - Interviewed by **ABC News:** Every Australian owns shares through super. Here's how to make a start at ethical investing.
 - Participated in an online panel with **Verve Superannuation** and **SIX** on gender equity and shareholder activism.
 - Featured by **The Age** and **SMH** discussing values-aligned superannuation and responsible investment choices.
 - Joined **350.org** as a local volunteer to support the climate justice movement.



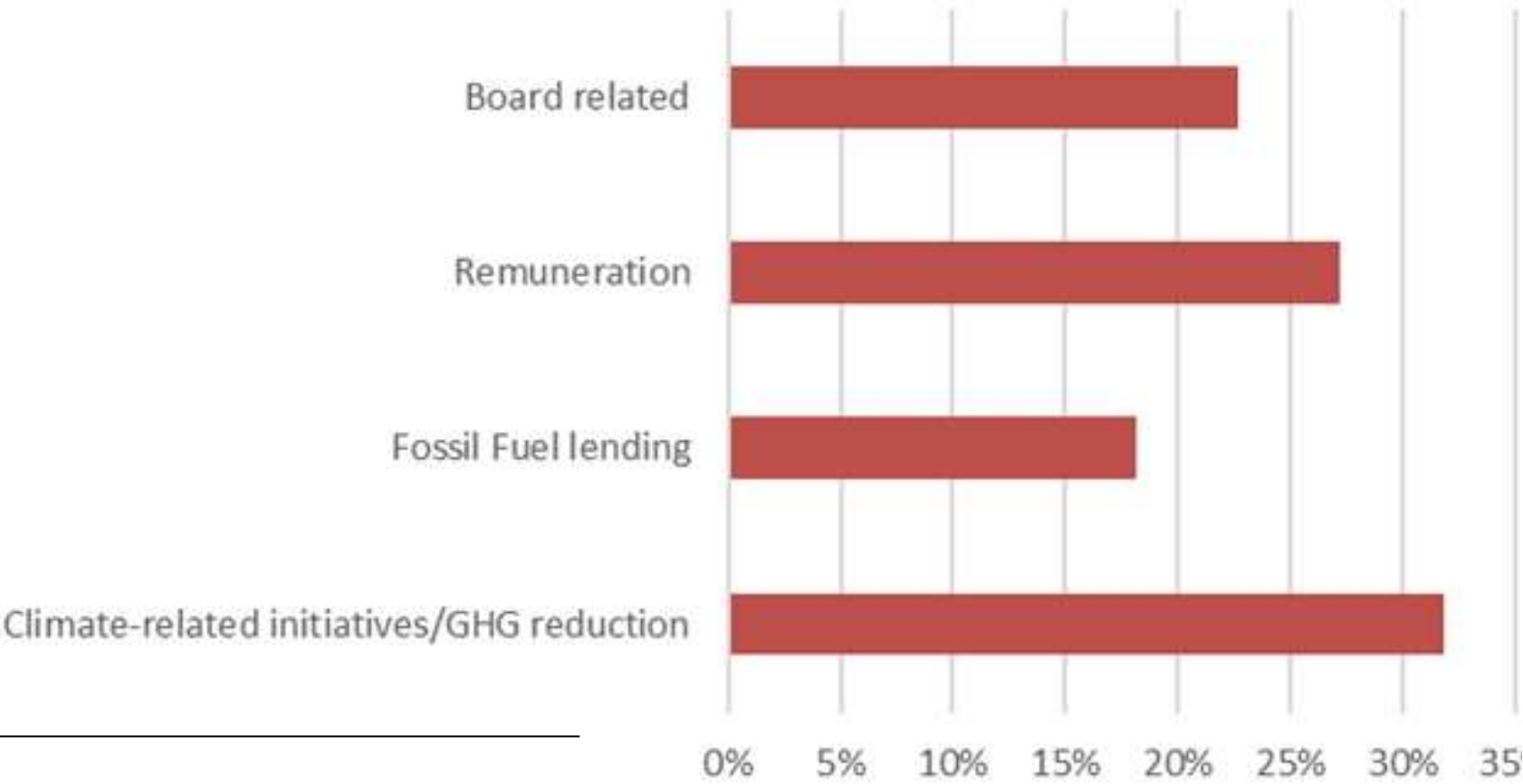
FY24 Proxy Voting and Shareholder Resolutions

EIFM's proxy voting decisions in 2024 were a key extension of our broader engagement strategy, aimed at holding boards and executives accountable on critical governance, environmental, and social matters. We exercised our voting rights with purpose, particularly on issues relating to climate risk, executive remuneration, and corporate accountability.

In addition, EIFM took active steps to strengthen our influence as responsible investors by purchasing \$500 holdings in select ASX-listed companies for the specific purpose of shareholder activism. While these companies are not held within the Ethical Investment Australian Equities Portfolio - in line with our clients' preferences, our shareholdings enabled participation in formal shareholder actions.

Through strategic collaboration with Market Forces, ACCR, and the Sustainable Investment Exchange (SIX), we contributed to extraordinary resolutions on ESG issues. Notably, our shareholdings formed part of the minimum 100 shareholders required to lodge a shareholder resolution under ASX rules.

Key Topics when Voting Against FY24 Proposals



Positive Outcome Through Active Ownership

Our active ownership and advocacy contributed to a number of measurable outcomes on governance and environmental issues in 2024.

We joined a bloc of shareholders calling for tighter fossil fuel lending standards at the AGMs of Westpac and NAB.

- 21.5% of Westpac shareholders and 28.4% of NAB shareholders supported resolutions led by Market Forces - sending a clear message that incremental policy changes are no longer enough.

As a result of sustained campaigning, including our participation in shareholder resolutions, all four major Australian banks have ceased financing Whitehaven Coal - the country's largest pure-play coal miner.

EIFM Voting Example – Woodside Energy Group Ltd

Despite Board recommendations to vote "FOR," EIFM cast **votes against** three critical resolutions:

- X **Board Re-Election** - Governance oversight concerns
- X **Remuneration Report** - Misaligned with long-term shareholder & climate value
- X **Executive Incentives** - Lacked climate KPIs and transparency

To access our full 2024 Engagment Report please visit the ethicalsma.com.au website

Biodiversity and Sustainable Investment Strategies

We acknowledge that biodiversity is a critical pillar of sustainable investment. In 2024, EIFM published its inaugural **Biodiversity Report**, outlining how our investment practices, fund manager engagement, and company dialogues aim to help close the global funding gap and contribute to biodiversity conservation and restoration.

In a step toward collective action, EIFM joined **177 global financial institutions** in signing the **Finance for Biodiversity (FfB) Pledge**. Through this pledge, we commit to taking effective measures to halt and reverse biodiversity loss by **2030**.

Biodiversity and nature-based solutions are deeply intertwined with our focus areas. We recognise that investee companies are at varying stages of integrating these considerations into their business strategies. Going forward, we will begin annual reporting, sharing our findings transparently where reliable data is available.

Innovative solutions from investee companies include:

- **Autodesk - Coral Maker Initiative:** Utilising its Design and Make Platform to scale coral reef restoration, supporting rehabilitation of one of Earth's most biodiverse ecosystems.
- **Infineon Technologies:** Deploying advanced sensor technologies to enhance biodiversity analysis and monitor forest health.

“Let’s not forget, biodiversity plays a fundamental role in buffering and addressing climate change itself - half of the CO2 emissions emitted in the last 50 years have been neutralised by natural ecosystems.” - Marco Lambertini, Nature Positive Initiative.



Ethical Investment Funds Management Focus Areas

At all times the Australian Equities Portfolio will have at least 50% of the portfolio (by weight, excluding cash) invested in 'positive' companies. EIFM specifically target companies which are involved in positive environmental activities or which provide benefits to society and are aligned to the UN Sustainable Development Goals (SDGs).

Portfolio exposure by Impact / ESG thematic

Climate Change Mitigation and Adaptation

- Renewable Energy
- Energy Storage
- Critical minerals
- Decarbonisation
- Disruptive Technology to reduce emissions

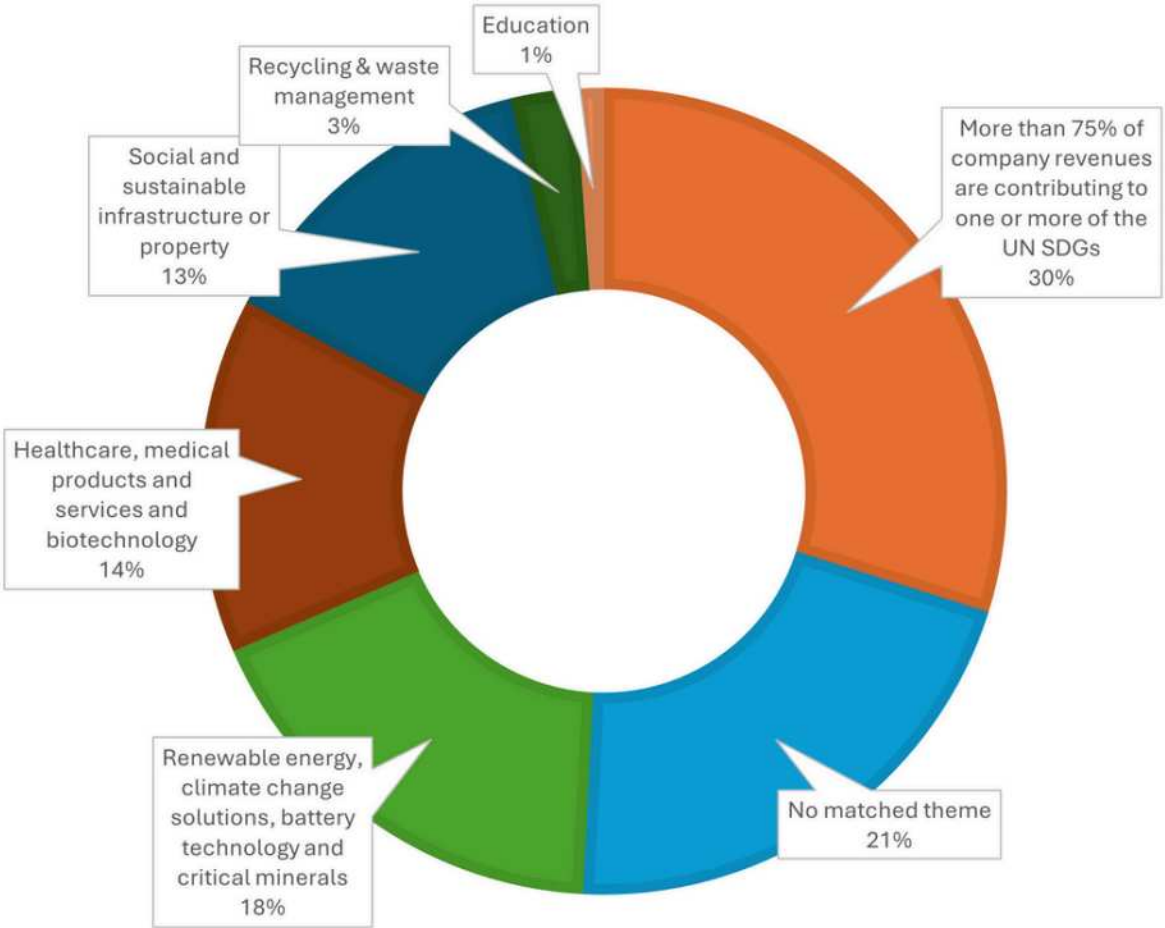
Resource Efficiency

- Recycling and Waste management
- Water & Energy Efficiency

Social well-being

- Healthcare, wellbeing
- Medical devices and biotechnology
- Care
- Education
- Financial inclusion
- Social infrastructure & Affordable housing

PORTFOLIO WEIGHT BY FOCUS AREAS



Ethical Investment Funds Management Focus Areas

In the following sections, we shed light through data, trends and industry insights, on both the challenges businesses face and the opportunities they leverage through innovation. We highlight through case studies how our investee companies are innovating to address these challenges and drive a strong business case for sustainability.

EIFM have mapped our investments broadly into 3 Focus areas comprising of sub-sectors, recognising the interconnected nature of Climate Change mitigation and adaptation, Resource Efficiency and Social well-being. All while reinforcing our alignment with the UN Sustainable Development Goals (SDGs) to drive sustainable innovation and long-term positive impact.

Assumptions of our Investee companies

- Set emissions reduction targets grounded in climate science through the Science Based Targets initiative (SBTi).
- 40:40 Vision targets set for executive leadership teams with a commitment to achieve gender balance by 2030.
- Reconciliation Action Plan framework in place to advance reconciliation.



An aerial photograph showing a river with multiple meanders flowing through a lush green landscape. The river is a light brown color, contrasting with the vibrant green of the surrounding vegetation. The terrain appears to be a mix of fields and natural vegetation.

Climate Change Mitigation and Adaptation

The Synthesis Report by the Intergovernmental Panel on Climate Change (IPCC), released in March 2023, categorically confirmed that human activity is the overwhelming cause of climate change.

With every increment of global warming, extreme heat and rainfall events become more frequent and more intense. Greenhouse gases, such as carbon dioxide, from human activities are responsible for approximately 1.1°C of warming since 1850-1900. This has already caused significant changes in the climate, including more extreme weather events, which have caused widespread harm to people and nature. (IPCC)

Australian Opportunity

39.4% of Australia's energy generation came from renewable sources in 2023, a 9.7 per cent increase from 35.9 per cent in 2022. With the government's 82% renewables target by 2030, and coal-fired generation retiring, the AEMO's 2024 Integrated System Plan (ISP) confirms that renewable energy, connected by transmission and distribution, firmed with storage and backed up is the lowest-cost way to supply electricity to homes and businesses as Australia transitions to a net zero economy.

Key Performance indicators

- tCO₂e avoided
 - MWh of renewable energy generated
 - Tonnes of waste recycled
 - Litres of wastewater treated
 - Litres of water use avoided
-

Clean energy technologies – from wind turbines and solar panels to electric vehicles and battery storage, do require a wide range of minerals and metals, and produce some emissions, but still far less than fossil fuels.

source: [International Energy Agency](#)

Solar panels produced today only need to operate for 4-8 months to make up for their manufacturing emissions (and the average solar panel has a lifetime of around 25-30 years)(IEA). Wind turbines, similarly, take only about 7 months to produce enough clean electricity to make up for the carbon pollution generated during manufacture (and they have a typical lifespan of 20-25 years). (ScienceDirect)

Almost 32 per cent of global electricity came from renewables in 2024. (IEA)

By 2050, 90 per cent of the world's electricity can and should come from renewable energy. source: [International Renewable Energy Agency](#)

Renewable Energy, Energy Storage & Efficiency

The Challenge - Intensive development patterns have historically relied on inexpensive and energy-dense fossil fuels, which also happens to be the primary source of greenhouse gas emissions contributing to climate change.

Opportunity - Business can accelerate the transition to an affordable, reliable and sustainable energy system by investing in renewable energy resources, prioritising energy efficient practices, and adopting clean energy technologies and infrastructure to help mitigate the impacts of climate change while minimising the impact of their operations on nature, including biodiversity and critical habitat areas that they operate in.

EIFM Investment companies:

- Mercury NZ - renewable energy generation.
- Meridian Energy - renewable energy generation.

EIFM's Contribution Through our investments, EIFM is supporting:

- **renewable energy infrastructure** to increase access to reliable, clean energy services and reducing the need for fossil fuel energy.
- **renewable energy supply and access** to increase the total share and output of renewable energy avoiding CO2 emissions.
- **renewable energy storage** as a critical contributor to the energy transition.

13 CLIMATE ACTION



Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

7 AFFORDABLE AND CLEAN ENERGY



Target 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix

Target 7.3

By 2030, double the global rate of improvement in energy efficiency



Mercury NZ

Mercury is a leading New Zealand renewable energy provider generating electricity from:

- 9 hydro power stations on the Waikato River
- 5 geothermal plants operating 24/7
- 5 wind farms harnessing wind energy across multiple regions

Together, these assets deliver a significant share of the country's electricity mix, with hydro generation alone supplying ~10% of New Zealand's annual energy needs.

Clean Energy Infrastructure

- Mercury is planning a Battery Energy Storage System (BESS) near the Whakamaru Hydro Power Station to manage peak demand and enhance grid flexibility.

Decarbonisation Commitment

- While Mercury's geothermal operations do emit greenhouse gases, the company is actively working to reduce its emissions footprint through operational improvements and long-term sustainability planning.

Strategic Industrial Partnerships

Mercury's 20-year supply contract with New Zealand Aluminium Smelters aligns renewable energy with industrial decarbonisation. The deal is broadly equivalent to the entire output of its Kaiwera Downs Wind Farm, contributing to the smelter's ability to produce low-carbon aluminium.

2024 Highlights

\$450,000

allocated to restore projects

37.5%

of women in Executive Team

50%

of women on Board

Investment

19 power stations
\$142 million capital expenditure
Renewable energy infrastructure

Positive Uplift

4,096 GWh Hydro generation	2,622 GWh geo generation	2,062 GWh wind generation
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Renewable energy power, Clean Energy

Approximately 6.416mn tonnes of CO2 equivalent emissions avoided (estimation from GWh generation numbers).
Accelerating the transition to a low-carbon future.

Decarbonisation

The Challenge - Historical development patterns have been intensive, heavily relying on the burning of fossil fuels. These fuels are also a primary contributor to greenhouse gas emissions, and pollution which is exacerbating climate change, biodiversity loss and increasing health risks.

Opportunity - The adoption of innovative clean technologies is key in redirecting development towards a more sustainable trajectory, mitigating global warming and reducing greenhouse gas emissions in-line with the Paris Agreement and Kyoto Protocol. In this transition, businesses are instrumental, they can prioritise energy efficiency and integrate disruptive clean energy technologies and infrastructure to help decarbonise hard to abate sectors.

The transformation of key sectors in embracing low or zero-emission technologies requires technology investments, policy certainty and investment support and collaboration to enable a just transition that ensures the benefits of the shift are shared by all.

Australia's Trend

Australia's critical minerals sector is experiencing significant growth and investment, driven by the global transition to a low-emission economy and increasing demand for technologies like electric vehicles.

Under the Australian Government's Future Made in Australia plan, \$3.4 billion has been invested in the future of precompetitive geoscience with the 35-year Resourcing Australia's Prosperity initiative, led by Geoscience Australia.

This multi-generational investment in precompetitive geoscience is set to accelerate the discovery of critical minerals and strategic materials and other resources necessary to decarbonise the global economy and ensure diversity and security of supply chains.

EIFM Investment companies:

- Hazer Group - Developing low-emissions hydrogen production via innovative technology.
- Calix - Commercialising multiple patented platforms across carbon capture, crop protection, aquaculture, and water treatment.
- Vulcan Energy - Producing zero-carbon lithium for battery and energy applications, critical to the clean energy transition.

Our contribution: Through our investments, EIFM is:

- **Accelerating clean technology adoption** by supporting companies developing practical low-emission solutions.
- **Driving innovation and championing disruptive technologies** in sectors critical to reducing carbon intensity.
- **Actively aligning capital** with the transition to a net-zero economy.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Target 9.4:

upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

Hazer Group

The Hazer Group is pioneering innovative solutions at the intersection of clean energy production and carbon abatement. Through its ground-breaking Hazer Process, it uses what is known as 'Methane Pyrolysis' to make Hydrogen. Effectively Methane is used as the feedstock to make the Hydrogen with the difference that the carbon is captured in the form of Graphite as a byproduct of the process. The aim of the low-emissions HAZER® Process is to reduce carbon emissions.

It can be argued that there will be some fugitive emissions from the extraction and transportation of the gas feedstock however with Hazer's commitment to also use waste or biogas as part of their mix, this will effectively negate those fugitive emissions bringing the process to as close to or if not a zero emissions outcome.

Investment

- **Methane Pyrolysis Technology supported by partnership with engineering firm, KBR**
- **WA government grant of \$6.2M**

Positive Uplift

- **Clean Hydrogen**
 - **50% Lower emissions compared to traditional production**
 - **Graphitic carbon by-product revenue stream**
 - **Decarbonisation of hydrogen production**
-



Resource Efficiency

The Challenge

Resource Efficiency - Our planet has provided us with an abundance of natural resources. But we have not utilised them responsibly and currently consume far beyond what our planet can provide. The Australian waste sector produces around 13 million tonnes of carbon emissions each year, equivalent to 2% of Australia's total greenhouse gas emissions. (Statista and Clean Energy Finance Corp)
At the same time, the overuse and contamination of fresh water is creating water scarcity and harming ecosystems.

Opportunity - By helping millions of tonnes of materials have a second life, companies can directly reduce the need to extract finite resources from the Earth - avoiding environmental damage, biodiversity loss and reducing the carbon emissions associated with extraction, transportation and production of new materials.

Applying Better Resource Recovery and Recycling to Waste Streams

Landfill
Emissions



National
Emissions



~440
Million
Tonnes



EIFM Investment companies:

- Cleanaway Waste - a leading waste management provider.

Our contribution:

Through our investment in Cleanaway, EIFM is:

- **Advancing resource efficiency** by supporting reductions in waste and wastewater across industrial and consumer sectors.
- **Enabling circular economy solutions** by increasing waste recovery, reducing dependence on virgin resource extraction and mitigating biodiversity loss.

Australian Opportunity

EIFM recognises the significant opportunity to advance resource recovery and waste minimisation in Australia. The 2024 Recycling Behaviours Report by Cleanaway Waste Management highlights positive behavioural shifts, with self-reported recycling confusion declining from 2023. However, systemic barriers remain—particularly underinvestment and the need for more supportive government policy in the waste sector.

A well-functioning circular economy is vital to sustainable growth. By maximising reuse and recycling across manufacturing and consumption cycles, it closes the loop on finite resource extraction and helps restore biodiversity. It's estimated that a fully enabled circular economy could deliver:

Triple impact: economy, employment and lower emissions

The five-year infrastructure investment outlook in Australia's waste, bioenergy, recycling and resource recovery sectors is robust. Australia-wide, we see a potential infrastructure pipeline of \$4-\$7.8 billion in investment opportunities.

~\$4b - \$7.8b

new investment

~3 Mt CO2-e

avoided

~9,000

construction jobs

Source: Arup analysis

Achieving this vision requires:

- Leveraging proven technologies adapted to Australian conditions to enhance operational effectiveness.
 - Strengthening resource strategies by securing reliable waste and feedstock streams and ensuring efficient market delivery of recovered products and energy.
 - Optimising site selection through a balanced approach to transport, energy efficiency, land use, and community engagement.
 - Investing in infrastructure and education to support circular economy goals, including improved product design standards and sustainability awareness.
-

Cleanaway Waste Management

Australian company Cleanaway Waste Management, provides EIFM invests in Cleanaway Waste Management, a company delivering advanced national infrastructure for waste collection, treatment, recycling, and safe disposal. Its services span general waste, recycling, wastewater, hazardous and bio-hazardous waste management—making Cleanaway a key enabler of resource recovery in Australia.

Driving Circular Economy Outcomes Cleanaway continues to advance circularity through strategic partnerships and investments:

- Developed two new plastic processing facilities in Victoria in partnership with Viva Energy
- Expanded organic waste processing capabilities
- Supports state-based Container Deposit Schemes through partnership with Tomra

Reducing Emissions & Waste-to-Energy Innovation

- Progressed development of two Energy from Waste (EfW) facilities to divert non-recyclable waste from landfill and reduce pressure on limited landfill airspace
- Transitioning fleet to HVO100 renewable diesel, a hydrotreated vegetable oil that cuts greenhouse gas emissions by up to 91% compared to conventional diesel

Public Education & Behavioural Impact

Cleanaway’s 2024 Recycling Behaviours Report informed a national campaign on safe battery disposal, driving greater awareness and household behaviour change.

Investment

- **\$162m expenditure in growth, operational improvements and partnerships**
- **HVO100 renewable diesel**

Positive Uplift

- **91% lower GHG emissions than fossil fuel diesel**
- **335 facilities across Australia**
- **23kt Plastics recovered**
- **246.7Mm3 tonnes Landfill gas captured (2023: 219Mm3)**
- **225.3GWh energy generated from landfill (2023: 242GWh)**
- **12.M tonnes of avoided emissions**



Target 12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



Social well-being

ensuring equitable and healthy lives for communities

The Challenge – While Australia’s life expectancy has improved, the proportion of time spent in good health has not. Preventable illnesses continue to place strain on health systems and resources, revealing the urgent need for efficiency, innovation, and equitable access to care.

Chronic diseases, such as cardiovascular disease, cancer, and musculoskeletal conditions, are the leading causes of illness, disability, and death in Australia Combined with an ageing population and they account for a large portion of the overall burden of disease.

Opportunity - Many of the chronic conditions contributing to this burden are preventable through lifestyle changes, early detection, and effective management. Improving the efficiency of healthcare delivery, embracing innovative technologies, and promoting preventative health strategies are all vital to managing the challenges posed by chronic diseases and improving population health.

EIFM Investment companies:

- Cochlear - Implantable hearing devices improving sensory health
- CSL Ltd - Biotechnology for prevention and treatment of serious medical conditions
- HealthCo Wellness REIT - Healthcare infrastructure supporting wellness and aged care
- Integral Diagnostics - Radiology and diagnostic imaging services
- Recce Pharmaceuticals - Developing synthetic anti-infective drugs for infectious diseases
- Sonic Healthcare - Pathology and radiology services across clinical settings

Our Contribution:

Through our investments, EIFM is:

- Accelerating investment by supporting innovation that demonstrably improves population health
- Investing in infrastructure and services that reduce pressure on Australia’s healthcare system
- Fostering long-term social impact through efficient, scalable, and inclusive healthcare delivery



Target 3.8
access to quality essential health-care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all

Hearing and well-being

Healthy ears and hearing are important to health and quality of life. Poor ear health and hearing loss can have an impact on many aspects of our lives, including education, employment and wellbeing. Although hearing isn't the only way we communicate, hearing loss impacts how we speak and interact.

The benefits of hearing intervention

In July 2023, new research found that after wearing hearing aids for three years, cognitive decline slowed by 48% for a group of older adults with mild to moderate hearing loss who were at a higher risk of cognitive decline. The results add to the growing evidence that support addressing modifiable risk factors for cognitive decline and dementia could be effective in reducing the future global burden of dementia. [\(The Lancet\)](#)

Cochlear

Cochlear is a global leader in a range of implantable hearing solutions, having provided more than 750,000 implantable devices, empowering people of all ages to hear and connect with life's opportunities and live a full life.

Cochlear continues to deliver a lifetime of hearing solutions for recipients, with sound processor upgrades and services to support prior generation products.

Cochlear has a global workforce of around 4,800 employees and a wide geographical reach, selling in over 180 countries, with employees based in over 50 countries.

Investment

- **\$270M invested in Research and Development in FY24**
- **Cochlear acoustic implants**

Positive Uplift

- **Hearing Implants & Sound Processors for over 47,000 people**
- **Improved Health & Cognitive Function in older adults**
- **An estimated net societal benefit of over \$8 billion over recipients' lifetimes through better health outcomes**
- **Enabling individuals with hearing loss to participate fully in society, improve cognitive function, and enhance economic productivity**

2024 Highlights

97%

Of renewable energy used at manufacturing facility

43%

Gender balance for senior executives



Social Equity

to ensure inclusivity and equity for all

The Challenge – Children lacking access to quality education and care services outside the home face reduced development in basic cognitive and language skills. This contributes to inequality, diminished life chances, and greater strain on social systems.

The Opportunity Investment in social infrastructure and education not only supports equitable development, it also delivers meaningful economic outcomes:

- Builds capacity for future workforce participation
- Strengthens diversity across employment pipelines
- Reduces crime, boosts school achievement, and improves lifetime earning potential

EIFM Investment companies

- Arena REIT - Develops, owns, and manages early learning and healthcare social infrastructure
- Charter Hall Social Infrastructure REIT - Invests in community-essential property assets
- Janison Education - Online platform for learning and assessment, scaling access across geographies

Our Contribution: Through our investments, EIFM is:

- Advocating for accessible and equitable education for all communities
- Supporting critical social infrastructure development
- Scaling educational innovation by investing in platforms that expand reach and modernise learning and assessment

Improved Outcomes for Early Learning Centres (ELCs)

Access to quality care and education outside the home is essential for child development. ELCs foster cognitive, language, and social-emotional growth, laying the foundation for better life outcomes.

- Key outcomes include:
- Strong positive correlation between preschool attendance and Year 3 NAPLAN performance
- Enhanced social, emotional, and behavioural development through peer interaction
- Return on investment of 1:2 - every \$1 invested yields \$2 in social and economic benefit across a child's life

Specialist Disability Accommodation (SDA): Enabling Independence

SDA offers tailored housing for Australians with disability, delivering:

- Greater independence and life satisfaction
- Increased access to informal support networks and deeper community connection
- Expanded housing choice and the ability to pursue personal goals and social participation

4 QUALITY EDUCATION



Target 4.A

build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all



Arena REIT

EIFM invests in Arena REIT, a developer, owner, and manager of diversified social infrastructure across Australia. Arena's portfolio enables access to essential services that deliver measurable social benefit.

Portfolio Snapshot:

- 268 Early Learning Centres (ELCs) - Supporting foundational child development
- 6 Healthcare Facilities - Improving access to primary medical services
- 3 Specialist Disability Accommodations (SDA) – Providing high-needs residential solutions
- 11 ELC Development Sites - Expanding capacity to meet future community needs

Arena's investments directly support educational outcomes, healthcare access, and inclusive housing.

2024 Highlights

90%

Of properties have solar energy installed, resulting in a

36%

absolute reduction in the intensity of Financial emissions

40:40:20

Gender balance for senior executives

Investment

- **Early Learning Centres**
- **Return on investment for every dollar invested**
- **Specialist Disability Accommodation**

Positive Uplift

- **Improved cognitive and language skills**
- **Improved Year 3 NAPLAN results**
- **Improve school attainment, reduce delinquency and crime**
- **Australia receives \$2 back over a child's life**
- **Improved quality of life through improved disability services**
- **Independence and dignity through enhanced disability care and strong community health**
- **Equitable access to essential community infrastructure and social well-being**



Sustainability in Infrastructure: Case Study – NextDC

While outside EIFM's primary Focus Areas for Impact, NextDC demonstrates how sustainability can be embedded within traditionally high-consumption industries. As a leading provider of outsourced data centre solutions, connectivity services, and infrastructure management software, NextDC is setting a benchmark for energy-efficient digital infrastructure.

- Targeting 100% renewable energy use across operations
- Employing advanced design and technology to minimise energy consumption and improve environmental performance
- Encouraging customer alignment with net zero emissions goals
- Integrating environmental controls that reduce operational impact

NextDC's example illustrates how technology and infrastructure providers can play a role in the broader decarbonisation agenda by building efficiency and circular principles into their core business operations.

By spotlighting companies such as NextDC, EIFM aims to highlight broader innovation trends that align with responsible investment principles-even when they fall outside our core thematic portfolios.

EIFM Investment company

NextDC - supporting the integration of sustainability into Data Centres and Australia's rapidly expanding digital economy.

Our Contribution: Through our investment in NextDC, EIFM is:

- **Inclusive & Sustainable Industrialisation** By enabling resilient, energy-efficient data centres, NextDC supports infrastructure development aligned with low-carbon principles and equitable access to digital services.
- **Innovation in Low-Carbon Technologies** NextDC is actively reducing environmental impact through advanced design, renewable energy integration, and customer partnerships focused on net-zero emissions-building a foundation for a more sustainable digital future.

2024 Highlights

100%
carbon neutral under Climate Active scheme

First
embodied carbon assessment for new builds

First
Reconciliation Action Plan



Reconciliation Action Plan

Reflections

In 2024 we continued to engage our staff and leaders especially around National Reconciliation Week and NAIDOC Week where we promoted events through our Newsletters and social media posts. Many of us attended events and on-line discussions with Aboriginal and Torres Strait Islander stakeholders.

While we are proud of our journey towards reconciliation, we look forward to opportunities and collaborations in the future to help steer our efforts and explored how Indigenous knowledge systems can contribute to the way we think about investment, sustainability, and long-term value creation.



Looking Forward

- Our goal looking forwards is to increase our engagement with companies, other fund managers, and all stakeholders, including on issue of governance, biodiversity preservation and loss, water management, plastic and adaptation.
 - We still have work to do to get the Global Warming Alignment closer to the 1.5 degrees needed. Ensuring the companies we invest in are reporting on their climate disclosures will help us better understand how to engage with our investee companies to achieve this alignment.
 - ASIC will require large companies to submit a sustainability report from March 2026, this will help to improve transparency for investors. New sections will be on climate scenario analysis and Disclosure of Scope 3 emissions (emissions from the value chain).
 - We will continue to ensure our steering committee and RAP working group include, and seek a variety of perspectives from our diverse community.
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